

## Message Text

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51

ACTION ARA-20

INFO OCT-01 AF-10 EA-11 NEA-14 ISO-00 PA-04 PRS-01 USIE-00

IO-14 AGR-20 SWF-02 SAJ-01 ACDA-19 INRE-00 SSO-00

NSCE-00 AEC-11 AID-20 CEA-02 CIAE-00 CIEP-03 COME-00

DODE-00 EB-11 FEAE-00 FPC-01 H-03 INR-11 INT-08 L-03

NSAE-00 NSC-07 OMB-01 PM-07 RSC-01 SAM-01 SCI-06

SP-03 SS-20 STR-08 TRSE-00 FRB-03 ARAE-00 DRC-01 /248 W

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O R 251818Z SEP 74

FM AMEMBASSY QUITO

TO SECSTATE WASHDC IMMEDIATE 2588

INFO AMEMBASSY ABU DHABI

USINT ALGIERS

AMEMBASSY BEIRUT

AMEMBASSY CARACAS

AMCONSUL GUAYAQUIL

AMEMBASSY JAKARTA

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY LAGOS

AMEMBASSY TEHRAN

AMEMBASSY TRIPOLI

UNCLAS QUITO 6313

E.O. 11652: N/A

TAGS: ENGR, PFOR, EC, US

SUBJ: HIGH GOE OFFICIALS DENOUNCE FORD AND KISSINGER STATEMENTS  
ON ENERGY

REF: QUITO 6300 (NOTAL)

1. THIS MORNING'S LOCAL PRESS CARRIED STATEMENTS BY NATURAL  
RESOURCES MINISTER JARRIN AND FOREIGN MINISTER LUCIO PAREDES  
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EXPRESSING CONDEMNATION OF RECENT STATEMENTS BY PRESIDENT

FORD AND SECRETARY KISSINGER ON THE PRESENT WORLD ENERGY CRISIS. THE STATEMENTS AMOUNTED TO A TOTAL REJECTION OF THE POINTS RAISED IN THESE SPEECHES; EXPRESSED SURPRISE; AND LAID THE BLAME FOR ANY INFLATIONARY PROBLEM AT THE DOOR OF THE U.S. AND OTHER LEADING INDUSTRIAL COUNTRIES.

2. MINISTER JARRIN, RECENTLY RETURNED FROM CHAIRING AN OPEC MEETING IN VIENNA, IN A FORMAL PRESS RELEASE "REJECTED THE THREATENING PRONOUNCEMENTS" OF THE PRESIDENT AND SECRETARY KISSINGER RELATING TO OIL PRICES. HE WENT ON TO SAY: "THE MEMBER STATES OF OPEC ARE FIRMLY AND CONSCIOUSLY UNITED IN THE HISTORIC TASK OF ENDING THE POLICY OF ECONOMIC EXPLOITATION OF A FEW PRIVILEGED COUNTRIES, BASED ON THE SACRIFICE OF THE PEOPLES OF THE THIRD WORLD". NEITHER "POLITICAL MANEUVERS" NOR "IMPERIALIST THREATS" CAN INTERFERE WITH THE CREATION OF A "JUST, NEW INTERNATIONAL ECONOMIC ORDER".

3. JARRIN CONTINUED: "THE TIME HAS DEFINITELY ENDED WHEN, WITH IMPUNITY, RIDICULOUS PRICES WERE PAID FOR OUR RAW MATERIALS, TO LATER SELL US MANUFACTURED PRODUCTS AT VERY HIGH COSTS, IN A PROCESS OF EXPLOITATION WHICH HAS PROMOTED THE DAZZLING DEVELOPMENT OF SOME COUNTRIES ON THE CEMENTARIES OF OUR OWN MISERY". HE CLAIMED THAT PRESENT PETROLEUM PRICES ARE RESPONSIBLE FOR AN INFLATION OF ONLY ONE PERCENT WHEREAS "THE RATE IN HIGHLY INDUSTRIALIZED COUNTRIES IS OVER 14 PERCENT, WHOSE EFFECTS ARE BEING FELT ON A DAILY BASIS IN DEVELOPING COUNTRIES". IF INDUSTRIALIZED COUNTRIES WISH TO RELIEVE THEIR CONSUMERS, HE WENT ON, THEY SHOULD CONTROL THE EXCESSIVE PROFITS OF GIANT MULTI-NATIONAL OIL COMPANIES AND REDUCE OR ELIMINATE THE TAXES WHICH RAISE THE PRICES OF PETROLEUM PRODUCTS. "WE ARE ONLY PROTECTING THE PURCHASING POWER OF OUR PETROLEUM, AND WE THEREFORE FIND UNACCEPTABLE PRESSURES, THREATS AND WARNINGS MADE IN A NEOCOLONIAL STYLE BYPASSED BY HISTORY".

4. FOREIGN MINISTER LUCIO PAREDES, ADMITTEDLY BASING HIS COMMENTS ON PRESS ACCOUNTS RATHER THAN THE ORIGINAL TEXT OF THE SPEECHES, MADE A MORE MEASURED BUT, BY HIS UNCLASSIFIED

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OWN STANDARDS, RATHER STRONG STATEMENT OF DENUNCIATION. DECLARING HIMSELF "SURPRISED AND DISCOURAGED", HE DECRIED THE USE BY "THE MOST AUTHORIZED SPOKESMAN OF A WORLD POWER AS IMPORTANT AS THE U.S., OF AN ADMITTEDLY APOCALYPTIC LANGUAGE WHOSE PURPOSE APPEARS TO BE THAT OF PROVOKING THE GREATEST POSSIBLE ALARM AND COMMOTION". HE ALSO EXPRESSED SURPRISE THAT "THE GRAVEST THREATS AGAINST PEACE, SECURITY AND INTERNATIONAL COOPERATION"

WERE UTTERED, AS WELL AS "COERCIVE MEASURES AND REPRISALS AGAINST THOSE WHO ARE CERTAINLY NOT RESPONSIBLE FOR THE INFLATION UNLEASHED ON THE WORLD BY THE INDUSTRIALIZED POWERS".

5. THE FONMIN REJECTED THE ACCUSATION THAT INCREASED PETROLEUM PRICES AT THE CONSUMER LEVEL ARE PRINCIPALLY DUE TO THE RISE IN CRUDE PRICES. RATHER, HE BLAMED THE "EXCESSIVE PROFITS" OF THE OIL MULTINATIONALS AND INTERNAL TAXES ON PETROLEUM PRODUCTS, WHICH ARE STILL MUCH HIGHER THAN ANY RECENT PRICE INCREASES.

6. LUCIO PAREDES SAID HE WAS DISCOURAGED BECAUSE "THE WORDS EXPRESSED BY PRESIDENT FORD DO NOT CONSTITUTE THE BASIS FOR A COOPERATIVE WORLD PROGRAM ON ENERGY RESOURCES WHICH WOULD SATISFY THE RIGHTS AND LEGIMATE ASPIRATIONS OF DEVELOPING COUNTRIES". NEITHER DID HE FIND IN SECRETARY KISSINGER'S SPEECH, HE SAID, THE KIND OF "CONCRETE PROPOSALS" WHICH WERE EXPECTED. THE FONMIN CONCLUDED THAT THE WORLD'S PROBLEMS ARE NOT EXCLUSIVELY IN THE ENERGY FIELD, AND THAT A BALANCED SOLUTION SHOULD GUARANTEE DEVELOPMENT OF ALL COUNTRIES, WITH PRIORITY TO THOSE OF THE THIRD WORLD.  
BREWSTER

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## Message Attributes

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